

# **EXHIBIT E**

STATE OF NEW YORK : COUNTY OF ERIE  
COUNTY COURT : PART 40

THE PEOPLE OF THE STATE OF NEW YORK

against

KATHLEEN MAEDER,

Defendant.

Indictment Number  
00431-2004  
SCI Number 23490

SENTENCE

Erie County Hall  
92 Franklin Street  
Buffalo, New York 14202  
August 4, 2004

B e f o r e :

HONORABLE SHEILA A. DiTULLIO  
County Court Judge.

A p p e a r a n c e s :

FRANK J. CLARK, III,  
Erie County District Attorney,  
By: CANDACE K. VOGEL,  
Assistant District Attorney,  
Appearing on behalf of the People.

JOHN DORN, ESQ.,  
501 John James Audubon Parkway,  
Suite 300,  
Amherst, New York 14228,  
Appearing on behalf of the Defendant.

Gordon Gannon, Jr., Esq.,  
Counsel to the Boy Scouts.

Gary Butler,  
Executive Director of the Boy Scouts.

Kathleen R. Hoffman, CSR, RMR, CMRS  
Senior Court Reporter

MS. VOGEL: Good morning, your Honor.

Candace Vogel for the People. This is the matter of Kathleen Maeder, file number 00431-2004.

Mrs. Maeder is present in the courtroom today along with her attorney, Mr. John Dorn. We are here today for the purpose of sentencing. As the Court will recall, on April 16th of the year 2004, this defendant pled guilty under SCI number 23490 to the charge of grand larceny in the second degree, a violation of Penal Law Section 155.40-1, a Class C felony. At that time she admitted restitution and signed a confession of judgment in the amount of \$206,939.43. Since that time, a payment has been made to the Greater Niagara Frontier Council of the Boy Scouts in the amount of \$20,000. I have had an opportunity to read the presentence report and would be asking for restitution in that full amount for the Boy Scouts of America, the particular council here.

Mr. Butler from the council would like to make a statement in regard to sentencing.

THE COURT: Thank you, Miss Vogel.

MS. VOGEL: I would indicate, also, Mr. Gordon Gannon, who represents the Boy Scouts,

1  
2 is also present.

3 THE COURT: Good morning. Good morning,  
4 Mr. Butler.

5 MR. BUTLER: Good morning, your Honor.

6 THE COURT: Thank you for taking the time to  
7 be here.

8 MR. BUTLER: You're welcome. I'm here  
9 representing the Boy Scouts of America based here  
10 in Buffalo which represents a large group of  
11 constituents, our youth members, our families, our  
12 board of directors, the donors who contribute to  
13 us, and the community at large that look to us to  
14 set a standard for the young people. I see this  
15 all about trust, and our first Scout Law is a  
16 Scout is trustworthy. We certainly put our trust  
17 in our former employee. We put our trust in our  
18 orders to make sure that stuff like this won't  
19 happen, but, nevertheless, the trust failed. And  
20 the message to our young people out there is a  
21 scout is trustworthy and there are consequences  
22 when you're not a trustworthy young person.

23 The damage done in dollars does need to be  
24 repaid, but the damage done to our organization in  
25 its values may not ever be recovered from as

1  
2 people look to us and say, how can we trust you  
3 when we can't trust some of your employees? So  
4 when we look at it, it's perhaps what good can  
5 come from this? And I think the good that can  
6 come from this is that in the restitution, once  
7 it's made, that we can use those funds to help  
8 young people learn the values that they need to  
9 learn. It goes a long way when we can take the  
10 money and send a boy to camp, when we can take the  
11 money and buy a young person a uniform, or just  
12 most recently, when we rallied the community to  
13 help raise funds for a Boy Scout troop that lost  
14 all their equipment in a fire. So that's the good  
15 that I think will come from this is if the Court  
16 can ensure that full restitution is paid, then we  
17 can make sure that the public's interest will be  
18 met by helping the young people in the community  
19 in the years to come as the funds are repaid back  
20 to our organization. Thank you.

21 THE COURT: Thank you, Mr. Butler. The Court  
22 appreciates your input.

23 MS. VOGEL: Your Honor, if I may, I would  
24 also like to indicate the \$50,000 -- \$50,000 has  
25 been paid by the insurance company, and that sum

would be subrogated through Traveler's.

THE COURT: Thank you. Good morning, Mr. Dorn.

MR. DORN: Good morning, Judge.

THE COURT: Anything you would like to say in behalf of your client?

MR. DORN: Yes, Judge. I submitted a presentence memorandum to the Court, and I've also submitted eleven character letters on my client's behalf. There's no one that feels worse about this than my client. She worked there for 22 years, her husband worked there for 19 years; a total of 41 years combined service to the Boy Scouts. And her husband knew absolutely nothing about this. It was her fault. She takes full responsibility for it.

I've been practicing for 30 years. I think I know what remorse is, and she's certainly shown remorse as a result of this, Judge. She's trying to make every effort possible to make full restitution. The family has come up with \$20,000. There's a commitment from the family to come up with an additional \$70,000 over the course of five years. She's also going to assign a portion of

her pension to the Boy Scouts, and hopefully within six or seven years, the full amount will be paid off. Unfortunately, there is a surcharge that has to be paid through probation which will be an additional, it is my understanding, \$20,000, so not only does she have to pay the full restitution, but she also has to pay an additional \$20,000. So I would ask the Court to consider probation in this case under all the circumstances.

THE COURT: Thank you, Mr. Dorn. Ms. Maeder, is there anything, ma'am, you'd like to say in your own behalf?

THE DEFENDANT: Yes. I want to apologize to the staff and Executive Board of the Boy Scouts of America. I have no excuse for what I did. I betrayed your trust in me. I will, for the rest of my life, carry this with me. I truly loved working for the Boy Scouts for the 22 years that I was an employee. The organization is one that I truly believe in, and to this day I still, in my heart, are a part of that. It was more than a job for me; working for the Boy Scouts was a big part of my life, and I am suffering because of the

1  
2 separation from that. Please know that I was not  
3 thinking clearly and did not mean to harm anyone.

4 I hope that you will also remember me for  
5 some of the good things I did while an employee  
6 and the many years that I served when I was an  
7 honest and dedicated employee. It was this love  
8 and dedication to the Boy Scouts that made me call  
9 Gary on January 4th and ask him to meet me at the  
10 office. I had to resign because I could not live  
11 with the guilt anymore, and I had to put a stop to  
12 it.

13 I wish the Boy Scouts well in their future  
14 endeavors and will be praying for your continued  
15 success in educating the young boys into becoming  
16 good, honest young men. I know it is too much to  
17 ask that you forgive me, but please try to think  
18 of me -- not to think of me as an evil person.

19 I would also like to apologize to my family  
20 and friends. I cannot describe the hurt I feel  
21 every time I look in your eyes. I feel I have  
22 totally lost your respect. I carry this guilt  
23 with me always. Hopefully time will begin to heal  
24 me and I will be able to look at you again and  
25 know that you forgive me.



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2 To my husband, I want you to know that you  
3 are the best man I have ever met, and I thank God  
4 for giving me to you, and I am so sorry for what I  
5 have done.

6 To my children, I want you to know that I  
7 love you very much, and I'm so sorry that I have  
8 made your life so difficult. I tried to be the  
9 best mother I could.

10 To my sisters, brother-in-law and  
11 sister-in-law, I don't know what we would have  
12 done without you these past few months. I also  
13 don't know what I would have done without you my  
14 whole life. You have been my support system since  
15 we lost our parents. I am asking you to forgive  
16 me and hope that one day you can.

17 THE COURT: Thank you, Miss Maeder. The  
18 Court appreciates your comments.

19 Ms. Maeder, what happened to the money,  
20 \$200,000, where did it go?

21 THE DEFENDANT: I spent it for family  
22 expenses, your Honor. I was living beyond my  
23 means.

24 THE COURT: Thank you. With that,  
25 Ms. Maeder, you pled guilty to grand larceny in

1 the second degree. I reviewed the presentence  
2 report, the victim impact statement from the Boy  
3 Scouts and their Executive Director, Mr. Butler,  
4 who spoke today, a letter from Dawn Walker, a  
5 social worker, numerous letters from your family  
6 and friends, and Mr. Dorn's sentencing memorandum.  
7 In this case, Ms. Maeder, I think we're all  
8 familiar with it, but in a five-year period,  
9 between 1999 and 2004, you stole approximately  
10 \$207,000 from the Boy Scouts of America, and you  
11 had worked there for approximately 22 years. I  
12 think what struck me in the presentence report is  
13 how deeply the Boy Scouts were affected. They  
14 failed to meet their budget, they had to eliminate  
15 a full-time position with a woman who was a single  
16 mother with two kids, and they had to cut the  
17 hours of another part-time position there. In  
18 addition, because of the theft, they had to reduce  
19 the employee health benefits that they received.  
20 I was also surprised to see, Ms. Maeder, I didn't  
21 realize this when you pled guilty, that you had  
22 filed bankruptcy a number of times over those  
23 years while you were taking money from the Boy  
24 Scouts. Is that correct?  
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THE DEFENDANT: No, before.

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THE COURT: Before? But you filed bankruptcy  
a couple times?

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5

THE DEFENDANT: Yes.

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7

THE COURT: And, again, you're just living  
beyond your means, is that -- with that,

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9

Ms. Maeder, this is a difficult case. It's a lot  
of money. There's a lot of heartache here.

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Whether a Court sentences you to jail or probation  
is a huge decision. I decided, as I told your

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lawyer earlier, to sentence you to probation. The  
primary reason for that is the restitution. The

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Boy Scouts need this money back. You started  
that. You've given them \$20,000 toward the

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restitution to date.

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THE DEFENDANT: Yes, your Honor.

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THE COURT: And you have promised that you  
will pay a \$1,000 a month to the Boy Scouts, is  
that correct?

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THE DEFENDANT: Yes, your Honor.

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THE COURT: Although I will sentence you to  
probation, and I think that's the right decision  
in this case, although difficult, if that

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restitution's not made and probation is violated,

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1 I can sentence you up to 15 years. You understand  
2 that?

3 THE DEFENDANT: Yes, your Honor.

4 THE COURT: You understand I don't hesitate  
5 or anguish about that if the probation is  
6 violated?

7 THE DEFENDANT: Yes, your Honor.

8 THE COURT: With that, Ms. Maeder, it's the  
9 judgment of this Court to sentence you to  
10 probation for a period of 5 years. The conditions  
11 of the probation are as follows: Restitution in  
12 the amount of \$206,939.43 minus the 20,000 already  
13 paid. In addition, you will pay, however you get  
14 that, whether it's through your own funds or  
15 through your family, a \$1,000 a month while on  
16 probation; that you will remain arrest free -- I  
17 would hope that wouldn't be a problem for you.

18 THE DEFENDANT: No.

19 THE COURT: -- that you will report to the  
20 probation officer; and that you will enter any  
21 counseling that they suggest. You understand  
22 that?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: There's a \$210 surcharge -- I'm  
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1  
2 sorry, there's a \$155 surcharge on the felony  
3 conviction. That's automatic by law. And there's  
4 30 days to appeal. Thank you.

5 MS. VOGEL: Thank you, your Honor.

6 MR. DORN: Thank you, Judge.

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8 The foregoing is certified to be a true and accurate  
9 transcript according to my stenographic notes.

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11 Kathleen R. Hoffman, CSR, RMR, CMRS  
12 Senior Court Reporter  
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